



State of Utah

Department of Natural Resources

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Executive Director

Division of Oil, Gas & Mining

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Lieutenant Governor

January 25, 2005

Daniel A. Jensen, Esq.
Parr, Waddoups, Brown, Gee & Loveless
185 South State Street, Suite 1300
Salt Lake City, Utah 84111-1537

Subject: Approval of 2nd Extension Request, 5-Yr Escalated Surety Estimate,
Geneva Steel, Iron Mountain Mine, M/021/008, Iron County, Utah

Dear Mr. Jensen:

The Division received your letter dated January 24, 2005, asking for an additional three months to increase the Iron Mountain bond to account for inflationary costs. We understand that a purchase agreement for the Iron Mountain assets has been signed and that closing the purchase should happen before the end of March. With this agreement in place it makes sense to extend the timeframe to allow time to evaluate and secure the bond. You now have an additional three months or until April 25th to provide the escalated bond. We would hope that with this purchase a replacement bond could be put in place even sooner. We look forward to working with Geneva and the new owners to provide a replacement bond and transfer of the permit.

If you have any questions concerning this letter, please contact me, or Doug Jensen of my staff.

Sincerely,

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb

cc: Ed Ginouves, BLM, Cedar City FO (UTU-71131)
Doug Jensen, DOGM

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